



Brownfields Cleanup Revolving Loan Fund Pilot

Des Moines, IA

Outreach and Special Projects Staff (5101)

Quick Reference Fact Sheet

EPA's Brownfields Economic Redevelopment Initiative is designed to empower states, communities, and other stakeholders in economic redevelopment to work together in a timely manner to prevent, assess, safely clean up, and sustainably reuse brownfields. A brownfield is a site, or portion thereof, that has actual or perceived contamination and an active potential for redevelopment or reuse. EPA is funding: assessment demonstration pilot programs (each funded up to \$200,000 over two years), to assess brownfields sites and to test cleanup and redevelopment models; job training pilot programs (each funded up to \$200,000 over two years), to provide training for residents of communities affected by brownfields to facilitate cleanup of brownfields sites and prepare trainees for future employment in the environmental field; and, cleanup revolving loan fund programs (each funded up to \$500,000 over five years) to capitalize loan funds to make loans for the environmental cleanup of brownfields. These pilot programs are intended to provide EPA, states, tribes, municipalities, and communities with useful information and strategies as they continue to seek new methods to promote a unified approach to site assessment, environmental cleanup, and redevelopment.

BACKGROUND

In 1996, a beef processing facility abruptly closed in Des Moines, and approximately 1,300 workers lost their jobs. To spur business growth, the City of Des Moines, Iowa has designated a portion of its southeast region area as the Agribusiness Enterprise Zone. The State of Iowa certified the area as an enterprise zone. The area contains deteriorated structures, vacant lots, and environmental contamination, and has high poverty levels, and unemployment rates. Part of the zone — the 1,200-acre Des Moines Agribusiness Park — is designated as a Brownfields Assessment Pilot. A Phase I environmental assessment has been completed, highlighting the need for further investigation of 230 acres, and the City is obtaining Phase II environmental results. In January 1998, the City adopted an urban renewal plan and created a tax increment finance (TIF) district for the Agribusiness Enterprise Zone.

BCRLF OBJECTIVES

The City's BCRLF will provide loans for the environmental cleanup of sites within the Agribusiness Enterprise Zone. Information from public meetings and interviews with agribusinesses, the State of Iowa, and Iowa State University will assist in creating a comprehensive redevelopment plan for agribusiness

PILOT SNAPSHOT



Des Moines, Iowa

Date of Announcement:
May 25, 1999

Amount: \$500,000

BCRLF Target Area:
The Des Moines Agri-business Enterprise Zone.

Contacts:

Office of Economic Development
(515) 237-1351

Region 7 Brownfields
Coordinator
(913) 551-7786

Visit the EPA Region 7 Brownfields web site at:
www.epa.gov/region07/specinit/brown/brownfields.htm

For further information, including specific Pilot contacts, additional Pilot information, brownfields news and events, and publications and links, visit the EPA Brownfields web site at:
<http://www.epa.gov/brownfields/>

reuse. The City hopes to address barriers to brownfield redevelopment and develop a process in which residents, businesses, and the City work together to facilitate community growth, create development sites that discourage sprawl; attract additional seed capital for redevelopment; assume a leadership role in Iowa's new VCP; and assist other communities implementation of similar programs.

FUND STRUCTURE AND OPERATIONS

The City's Office of Economic Development, which currently manages two other City revolving loan funds, will serve as the lead agency and fund manager. The City's Engineering Department will serve as the BCRLF site manager. The maximum loan amount will be \$100,000 with the term and interest rate negotiated on a case-by-case basis.

LEVERAGING

Des Moines will provide in-kind environmental, banking, and legal resources for the BCRLF program. In addition, the City has leveraged up to a \$1 million of State resources from the Iowa Physical Infrastructure Assistance Fund. The Iowa PIAF is a loan and/or loan guarantee program that can be used for environmental remediation projects involving substantial capital investment, the creation of high wage, quality jobs, and positive statewide impact. The City also will explore the potential of leveraging funds with the local banking community. In addition, the Des Moines Action Loan Fund and the Iowa Community Economic Betterment Account will provide long-term fixed asset financing. The Enterprise Zone Program offers job training, corporate tax incentives, and a refund on sales, service, and use taxes on materials used in construction contracts. Community Reinvestment Act objectives will be stressed. Finally, the City has established a tax increment financing district for the Agribusiness Enterprise Zone.

Use of BCRLF Pilot funds must be in accordance with CERCLA, and all CERCLA restrictions on use of funding also apply to BCRLF funds.
